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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
SECURITIES AND EXCHANGE COMMISSION, )  
 )  
Plaintiff, ) 19 Civ. 9439 (PKC)  
 )  
v. )  
 )  
TELEGRAM GROUP INC. and )  
TON ISSUER INC., )  
 )  
Defendants. )  
-----X

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VIDEOTAPED DEPOSITION OF  
ILYA PEREKOPSKY  
December 15, 2019

Taken at:  
McKenna Nabarro Olswang LLP  
Cannon Place  
78 Cannon Street  
London, EC4N 6AF

Reported by:  
AILSA WILLIAMS,  
Certified Court Reporter  
JOB No. 191215MWC

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A P P E A R A N C E S

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BY: ALEXANDER DRYLEWSKI, THANIA CHARMANI

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ALSO PRESENT

NOTARY PUBLIC: KEITH ROONEY

COURT REPORTER: AILSA WILLIAMS

VIDEOGRAPHER: WENDY VINER

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1 entities or talking about a different entity  
2 affiliated with Telegram, I would of course ask  
3 you to do that. Okay?

4 A. Um hum.

5 MR. DRYLEWSKI: Do you understand that  
6 instruction?

7 A. So if you will mention any specific  
8 entity you will just tell me about that, right?  
9 If it is going to be TON Issuer, you will just  
10 tell me that?

11 Q. If I want to ask you a specific  
12 question about TON Issuer Inc or about Telegram  
13 Group Inc, then I will use the full names of each  
14 entity, but if I say generally "Telegram" I mean  
15 to refer to both of those entities.

16 A. Okay, that is clear.

17 Q. Okay, thank you. So, you mentioned  
18 that you had learned about TON and that you had  
19 offered your services to Mr. Durov, and that is  
20 how you came to join Telegram. Did I hear that  
21 correctly?

22 A. Yes.

23 Q. Can you expand on that a little bit?  
24 Tell me what you had heard about TON, when you had  
25 heard it and what services you offered to

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1 Mr. Durov?

2 MR. DRYLEWSKI: Objection to form. You  
3 can answer if you understand the question.

4 A. I think we had a few discussions  
5 with Pavel when he mentioned about his idea to  
6 launch a new Blockchain, and we were discussing at  
7 one of the meetings with him how exactly he is  
8 going to raise money for this Blockchain, and  
9 about the cryptocurrency that he is going to  
10 launch, and just during these discussions I  
11 offered him my services in fund-raising.

12 Q. We will come back to those  
13 discussions in a little bit, but first can you  
14 give me a sense, after you graduated university,  
15 where did you first go to work?

16 A. I think a few months after I  
17 graduated I got an offer from Pavel Durov, who was  
18 at that moment the CEO of social network  
19 VKontakte.

20 Q. Can you spell that for the record?

21 A. Now it is called VK, two letters.  
22 It is easier.

23 Q. Okay.

24 A. He offered me to join the first  
25 initial team of the company, and I joined. So I

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1 believe it was in probably -- I can be wrong on  
2 exact dates, but probably it was somewhere in  
3 2007.

4 Q. And before Mr. Durov made you an  
5 offer to join VKontakte, did you know him?

6 A. Yes, we studied together at the same  
7 university.

8 Q. Were you in the same class?

9 MR. DRYLEWSKI: Objection to form. You  
10 can answer.

11 A. We were in the same year but not the  
12 same class.

13 Q. Were you friends?

14 A. Yes, we were friends.

15 Q. So by the time that he asked you to  
16 join VKontakte, had Mr. Durov already created the  
17 company?

18 A. Yes, the company was already  
19 created.

20 Q. What was your position when you  
21 first joined VKontakte? Let's call it VK.

22 A. Yes, VK, vice president.

23 Q. What was your role?

24 A. I was in charge of business  
25 development questions, partnership, advertising,

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1 conflict with Mr. Durov after you left VK or in  
2 connection with you leaving VK?

3 MR. DRYLEWSKI: Objection to form. You  
4 can answer that question "yes" or "no", or "I  
5 don't remember".

6 A. I didn't have any direct conflict  
7 with Mr. Durov.

8 Q. Any indirect conflict?

9 MR. DRYLEWSKI: Objection to form.  
10 Same, to the extent you remember, you can say  
11 "Yes" or "no" or "I don't remember".

12 A. I wouldn't say that I had any  
13 conflicts with Mr. Durov.

14 Q. By your earlier answer that there  
15 was a confidentiality agreement, I take it that  
16 the lawsuit was resolved?

17 A. Yes.

18 Q. In connection with that, you signed  
19 a form of confidentiality agreement?

20 A. Yes, that is correct.

21 Q. After you left VK, in 2013 or 2014,  
22 did you continue to stay in touch with Mr. Durov?

23 A. Yes, occasionally we spoke with him.

24 Q. Do you have an understanding of when  
25 Mr. Durov launched Telegram Messenger?

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1 A. I don't remember. I don't remember.

2 Q. Did you have any involvement with  
3 Telegram Messenger at the time it was launched?

4 A. No.

5 Q. Before your involvement with the TON  
6 project that we talked about a little earlier, and  
7 that we will get to, did you have any other  
8 involvement with Mr. Durov or with Telegram  
9 between the time you left VK and the TON project?

10 A. No, we didn't. We didn't do any  
11 business to together.

12 Q. What did you do after VK?

13 A. After VK I made a series of some  
14 investments to some start-ups, and so I helped  
15 them to develop from like a business point of  
16 view, but I was not an employee of any company  
17 until I joined Telegram and after I left VK.

18 Q. So you were acting as an adviser to  
19 start-ups?

20 MR. DRYLEWSKI: Objection to form. I  
21 think that mischaracterizes the testimony. Go  
22 ahead. You can answer.

23 A. Since I invested I became a  
24 shareholder, so I would say I am helping not as an  
25 adviser, but I am helping as a shareholder.



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1 Q. Okay, I am sorry, I misunderstood.  
2 So you invested in some start-ups?

3 A. Yes.

4 Q. Which start-ups?

5 A. There were quite a few of them. One  
6 of them was for example the company called Sum and  
7 Substance. That is just one example. Another  
8 example is Blackmoon Financial Group. There  
9 are -- I don't know, maybe three, four, five more.  
10 I don't remember exactly.

11 Q. Other than the investments in those  
12 start-ups, a couple of which you have mentioned,  
13 did you have any other jobs or employment between  
14 VK and when you began consulting for Telegram?

15 A. No. So if you are asking if I was  
16 an employee of the company, then the answer is no.

17 Q. Did you have any other role with any  
18 companies?

19 A. For some time I was a consultant to  
20 the fund called UCP.

21 Q. What is UCP?

22 A. UCP, it is a fund, quite a big fund,  
23 private equity fund, and at the time UCP was a  
24 shareholder of VK.

25 Q. And does UCP stand for United

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1 Capital Partners?

2 A. I believe so.

3 Q. What did you do as a consultant to  
4 UCP?

5 A. So there were some corporate issues  
6 between the shareholders, which I kind of helped  
7 them to settle, and also I was consultant on some  
8 other deals that they were doing.

9 Q. You mentioned that you had a  
10 settlement with VK when you left the company. Did  
11 I hear you right?

12 A. I wouldn't say -- it was a big  
13 document with many parties involved and I think I  
14 was part of the settlement, yes.

15 Q. I was not referring to the lawsuit  
16 with Mr. Durov. I thought you said that when you  
17 left VK you got like a financial package. That is  
18 how I understood your answer, a settlement of some  
19 sort?

20 MR. DRYLEWSKI: Objection to form. You  
21 can answer the question and tell her if her  
22 understanding of your testimony is correct or  
23 otherwise explain it.

24 A. Yes, to be honest I just don't  
25 remember how exactly this document which I signed

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1 in Russian should be called in English, so I am  
2 just afraid to use not the right term here.

3 Q. Okay. Did you receive a lump sum  
4 severance package when you left VK?

5 A. I received some, yes.

6 Q. What amount?

7 A. I don't remember.

8 Q. Was it several million dollars?

9 MR. DRYLEWSKI: Objection to form.  
10 Asked and answered.

11 A. I don't remember the amount.

12 Q. You don't remember the ballpark  
13 either?

14 MR. DRYLEWSKI: Objection to form.  
15 Asked and answered several times.

16 A. No.

17 Q. So a few minutes ago you mentioned  
18 Blackmoon Financial Group. What is Blackmoon  
19 Financial Group?

20 A. It is a fin-tech start-up based in  
21 Europe that operates in a lending space, online  
22 lending space.

23 Q. Did you start Blackmoon Financial  
24 Group?

25 A. No.

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1 Q. So you are not one of the founders?

2 MR. DRYLEWSKI: Objection to form.

3 A. It depends on what you call a  
4 founder. So when the entity was created I was not  
5 at that moment a shareholder, but since I believe  
6 I was the first investor to the company, from this  
7 angle you can call me a co-founder.

8 Q. When did you first invest in  
9 Blackmoon Financial Group?

10 A. I don't remember. No, I don't  
11 remember when. It was more than five years ago.

12 Q. Was it after you left VK?

13 A. I would say around five years ago.  
14 I don't remember exactly. It was after I left VK,  
15 yes. Maybe it was 2015, but I can be wrong here.

16 Q. Who created Blackmoon Financial  
17 Group, if you know?

18 A. Yes, it was created by Oleg Seydak.

19 Q. Who is Oleg Seydak?

20 A. Could you specify the question?

21 Q. You are right, that was not a good  
22 question. Before you joined Blackmoon Financial,  
23 did you know Mr. Seydak?

24 A. Yes. Yes, I knew him.

25 Q. How did you know him?

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1 Q. And what do you mean by "support him  
2 in public"?

3 A. I believe that we made some video  
4 together that was published, so where we were  
5 telling about the company.

6 Q. And in that video were you  
7 introduced as a co-founder of Blackmoon Crypto?

8 A. I don't remember how I was  
9 introduced.

10 Q. Are you aware of any other public  
11 video or document where you were put forth as a  
12 co-founder of Blackmoon Crypto?

13 MR. DRYLEWSKI: Objection to form.  
14 Mischaracterizes the answer to the last question.  
15 You can answer if that makes sense to you.

16 A. I don't remember.

17 Q. Have you ever introduced yourself to  
18 anyone or represented that you were a co-founder  
19 of Blackmoon Crypto?

20 A. I don't remember how, to be honest,  
21 I was introduced.

22 Q. Do you consider yourself a  
23 co-founder of Blackmoon Crypto?

24 A. No.

25 Q. How much did you invest in Blackmoon

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1 Financial Group?

2 A. It was a long time ago. I don't  
3 remember the amount.

4 Q. Are you today a shareholder of  
5 Blackmoon Financial Group?

6 A. Yes. So it was a seed investment,  
7 so I don't remember the number, but it was  
8 probably hundreds of thousands of dollars, but I  
9 could not tell you the exact figure.

10 Q. And as a shareholder do you receive  
11 dividends?

12 A. Yes, I get some profit from the  
13 company.

14 Q. Since the time of your investment,  
15 how much have you profited from Blackmoon  
16 Crypto -- sorry, Blackmoon Financial Group?

17 MR. DRYLEWSKI: Objection to form. To  
18 clarify and make sure this is clear on the record,  
19 you asked about Blackmoon Financial Group?

20 MS. STEWART: Yes. My questions are  
21 about Blackmoon Financial Group.

22 MR. DRYLEWSKI: You can answer the  
23 question if you understand it.

24 A. I didn't calculate it for this  
25 meeting, so I don't remember.

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1 Q. Do you know approximately?

2 MR. DRYLEWSKI: Objection to form.

3 A. It is very hard to say for the last  
4 four years. No, I don't remember.

5 Q. Are these periodic dividends or  
6 profit sharing that you receive?

7 MR. DRYLEWSKI: Objection to form.

8 A. Yes, they are quite periodic, you  
9 can say so.

10 Q. How often?

11 A. Every quarter or every six months.

12 Q. Other than these periodic dividends  
13 or profit sharing, do you receive any other  
14 compensation, salary, bonus any other financial  
15 thing from Blackmoon Financial?

16 A. No.

17 MR. DRYLEWSKI: Objection to form.  
18 Remember to give me a moment to object to  
19 questions.

20 A. Sorry.

21 MR. DRYLEWSKI: No problem.

22 Q. Do you remember the last dividend or  
23 profit sharing that you received from Blackmoon  
24 Financial?

25 A. Probably in the last couple of

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1 months somewhere, I don't remember.

2 Q. How much was that?

3 A. I don't remember the amount.

4 Q. You don't remember approximately?

5 A. I would say it was below 100,000  
6 dollars.

7 Q. Just to make sure the record is  
8 clear, have you at any point invested money in  
9 Blackmoon Crypto?

10 A. No.

11 Q. I should have mentioned at the  
12 beginning, at any time if you want to take a  
13 break, feel free, let me know and we can do that.

14 A. Thank you.

15 MS. STEWART: Unless you have an  
16 objection I figured we stopped at 16 last time, I  
17 would start with 17, because it was not named by  
18 witness. So if you can mark this as 17.

19 MR. DRYLEWSKI: If you are asking about  
20 the same documents that were used in the last  
21 deposition, are we going to use the same exhibit  
22 numbers or are you going to double up again?

23 MS. STEWART: There may be a couple. I  
24 didn't have the stickered version yet so there may  
25 be a couple that we would double up, but I don't



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1 think it is going to be a huge thing.

2 MR. DRYLEWSKI: Okay. We can talk about  
3 that later.

4 (Exhibit 17 marked for identification)

5 MR. DRYLEWSKI: Please take your time  
6 and familiarize yourself with the document before  
7 answering any questions.

8 MS. STEWART: Mr. Perekopsky, the court  
9 reporter just handed you what we have marked as  
10 Exhibit 17. The document does not have a Bates  
11 number. The cover page says "Blackmoon  
12 Whitepaper", and there is a date of March 28,  
13 2018. As your counsel mentioned, take however  
14 much time you need to look at the document and let  
15 me know when you are ready.

16 MR. DRYLEWSKI: Of course, if there are  
17 particular pages you want him to focus on when he  
18 reviews, please let him know.

19 MS. STEWART: I mostly am going to be  
20 asking you about the people that are mentioned  
21 towards the end of the document, but take however  
22 much time you need to look at the document.

23 (Pause.)

24 A. I think you can ask questions.

25 Q. Okay, great. Do you know what this

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1 in the middle of a line of questioning but just  
2 when there is a natural time for a break, we have  
3 been going for a while.

4 A. Actually I am fine with a break, if  
5 we can do it soon.

6 MR. DRYLEWSKI: Sure.

7 MS. STEWART: Okay, sure.

8 Did Mr. Durov agree that it made sense  
9 for you to coordinate the fund-raising?

10 A. Yes. So yes, we discussed it, and  
11 he wanted like to understand more how we will work  
12 together, so we discussed it, shared our opinions  
13 and then, yes, we came to the agreement.

14 Q. So when you signed your consulting  
15 agreement, your role was to coordinate the  
16 fund-raising? That is what you were brought on to  
17 do?

18 MR. DRYLEWSKI: Objection to form.

19 A. I think, yes, so my role was to  
20 coordinate the fund-raising, yes, and to advise on  
21 fund-raise, yes.

22 Q. At the time that you became a  
23 consultant to Telegram, were there others also  
24 involved in the fund-raising process at Telegram?

25 A. Yes, I believe that John Hyman, he

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1 became a consultant at the same time as I did.

2 Q. And do you have an understanding of  
3 how John Hyman came to be a consultant to  
4 Telegram?

5 A. I invited him.

6 Q. Do you have an understanding of  
7 whether Mr. Hyman previously knew Mr. Durov?

8 A. To my knowledge, he didn't know him  
9 before.

10 Q. So why did you invite him to become  
11 a consultant to Telegram?

12 A. I invited him because he had a quite  
13 impressive background. As far as I remember, he  
14 was head of some division or department  
15 responsible for capital markets at one of the  
16 large investment banks, so he definitely had a set  
17 of skills required to work with a wide group of  
18 sophisticated investors globally.

19 Q. So did you suggest to Mr. Durov that  
20 Telegram hire or that Telegram bring on Mr. Hyman  
21 as a consultant?

22 MR. DRYLEWSKI: Objection to form.

23 A. Yes, I think I suggested to Pavel  
24 to -- I think I suggested to Pavel basically that  
25 John and I would work together on this.

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1 investors that I had been talking to, they signed  
2 an NDA, but not all of them. Later on I think we  
3 just included this paragraph about that  
4 information is confidential to their, I believe,  
5 indications of interest that we send them, and  
6 probably we talked about this in the purchase  
7 agreement as well, but I don't remember, so it was  
8 included in other documents that they were  
9 signing.

10 Q. What was the reason for the  
11 confidentiality?

12 A. We didn't want all these materials  
13 to become public and available to anybody. So we  
14 tried to target only a limited group of  
15 sophisticated, accredited investors, and didn't  
16 want these documents to be available to anybody.

17 Q. Was every investor that submitted an  
18 indication of interest offered an allocation?

19 A. As far as I remember, in most cases,  
20 yes. I don't remember the other cases.

21 Q. But do you remember that there were  
22 cases where an investor that submitted an  
23 indication of interest was not offered an  
24 allocation?

25 A. Excuse me, I think I didn't

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1 understand the question. So you are asking  
2 whether all of the investors who filled out this  
3 form, whether all of them eventually invested,  
4 right?

5 Q. Yes?

6 A. Or not?

7 Q. I am asking not whether they  
8 ultimately ended up investing. I am asking  
9 whether in the initial process of Telegram  
10 offering particular allocations, were allocations  
11 offered to everyone who had submitted an  
12 indication of interest or were there some entities  
13 or individuals who were not offered an allocation?

14 A. No, we definitely offered  
15 allocations not to all investors who submitted  
16 this form.

17 Q. So who decided which investors would  
18 be offered allocations and which would not be?

19 A. It was me, John and Pavel.

20 Q. And how were the decisions made  
21 about the allocations?

22 A. We considered like a few criteria  
23 here, right. First, we tried to get only highly  
24 sophisticated, reputable funds or individuals that  
25 already had some track record, and in case of

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1 individuals where you could understand their  
2 wealth, like the general idea how they got their  
3 wealth. Second, we tried to diversify investors  
4 by geography, so we didn't want one particular  
5 region of the world like to dominate in our list  
6 of investors, so we were trying to be  
7 decentralized even in this part. So we tried them  
8 to be decentralized all over the world. Then, in  
9 some cases, we just removed a lot of investors by  
10 our own initiative, due to some information that  
11 we received about them.

12 Q. I want to break up your answer a  
13 little bit. With respect to -- you mentioned that  
14 one of the criteria when you were thinking about  
15 the sophistication of the investors is where the  
16 individual investors got their wealth. Did I hear  
17 you correctly?

18 MR. DRYLEWSKI: Objection to form.

19 A. No. I was talking about  
20 sophistication when I was more talking about  
21 funds, and I mean -- are you asking what do I like  
22 mean by sophistication, right? Is that right in  
23 general, about this term?

24 Q. Sure.

25 A. So, in case of funds, right, we just

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1     tried to take the most known, the most reputable  
2     funds, with a history or with a good reputation.  
3     When we are talking about individuals, we also  
4     tried to include in our list only reputable people  
5     with understandable sources of wealth, right, and  
6     that is probably the basics.

7             Q.   And why was it important that you  
8     said the individual investors had an  
9     understandable source of wealth?

10            A.   We wanted to accept money only  
11     from -- high quality money from high quality  
12     people, and I mean that is the reason.

13            Q.   With respect to the funds, was one  
14     of the factors you considered whether the funds  
15     were active in the cryptocurrency space?

16            MR. DRYLEWSKI:   Objection to form.

17            A.   No, not necessarily.   Since we made  
18     a decision to accept money in Fiat, sometimes  
19     probably for crypto funds it was even a little bit  
20     difficult to invest in Fiat, if it is crypto fund,  
21     right, so by definition they probably had their  
22     funds in crypto.   We didn't have this criteria  
23     that we want to work only with Blockchain crypto  
24     rated investors, no.

25            Q.   Was one of the factors you

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1 considered in terms of the sophistication of  
2 investors their sophistication as Blockchain node  
3 validators?

4 A. No, no. So TON Blockchain, the  
5 level of sophistication required to be a validator  
6 is not that high, so I would say that if this  
7 investor was sophisticated, by definition, and if  
8 he wants to become a validator, that is a doable  
9 task for all of them.

10 Q. Other than what you have described  
11 as sort of the fact that they are well known and  
12 reputable, was there any other factor that you  
13 looked at when considering the sophistication of  
14 the investors?

15 MR. DRYLEWSKI: Objection to form.

16 A. So we put a process in place when we  
17 were reviewing the investors, and we hired a  
18 third-party provider, KYC provider, who was  
19 reviewing them and sharing with us their comments  
20 and their opinions. So we just relied I would say  
21 on the best practices on the market in defining  
22 which investors can be accepted by us and which  
23 not, and this third-party they helped us as well  
24 in reviewing all the information. Each investor  
25 submitted a KYC form, and we analyzed all of these



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1 a lock-up?

2 MR. DRYLEWSKI: Objection to form.

3 A. Yes, I think I mentioned that, yes.

4 Q. Why was the decision made to have a  
5 lock-up for round one but not for round two?

6 MR. DRYLEWSKI: Objection to form.

7 A. It seemed natural for us that first  
8 investors who paid a lower price, that they will  
9 be locked up for some time, and people who paid a  
10 higher price, they can use their Grams sooner.  
11 Plus we thought maybe it is a little bit unfair to  
12 second round rights, that they can start using  
13 like their Grams immediately if they paid a lower  
14 price. It seemed fair that first stage A  
15 investors should get this right to use their  
16 Grams.

17 Q. It seemed fair because they paid  
18 more or for some other reason?

19 A. Yes, because the price for their  
20 Grams was higher.

21 Q. Was there any other reason why there  
22 was a lock-up for round one but not for round two?

23 MR. DRYLEWSKI: Objection to form.

24 Asked and answered.

25 A. I don't remember.

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1 Q. Who made the decision to have a  
2 lock-up for round one but not for round two?

3 A. I believe it was made by Pavel.

4 Q. Did you discuss that decision with  
5 Mr. Durov before he made it?

6 MR. DRYLEWSKI: Objection to form.

7 A. I think, yes, we discussed it.

8 Q. Was there any difference in the  
9 criteria you considered for investors in the  
10 second round as opposed to the first round which  
11 you have already described?

12 A. I think the criteria in selecting  
13 final investors, no, they were the same.

14 Q. Did you and others at Telegram send  
15 emails to investors from time to time with updates  
16 about the Blockchain?

17 A. Yes. Yes, we did.

18 Q. Who drafted those emails?

19 MR. DRYLEWSKI: Objection to form.

20 A. As far as I remember, Pavel in most  
21 cases, based on some legal advice.

22 Q. In general, would you and Mr. Hyman  
23 and Mr. Parekh send the same form emails to all  
24 investors?

25 MR. DRYLEWSKI: Objection to form.

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1 personally in touch with particular people that he  
2 knew?

3 MR. DRYLEWSKI: Objection to form.

4 A. Could you rephrase it, please?

5 Q. How did he go about introducing you  
6 to investors?

7 A. He was just telling us: "Here is an  
8 interesting project. Here is the right contact to  
9 hear more." I think that is it, something like  
10 that.

11 Q. Did Telegram compensate him for  
12 these introductions?

13 A. We never compensated anybody for any  
14 introductions.

15 Q. So why was he making the  
16 introductions?

17 MR. DRYLEWSKI: Objection to form. You  
18 can answer that question if you know.

19 A. My personal impression, that he was  
20 from this space, I think he previously worked or  
21 was consultant to Ripple, which is another  
22 Blockchain, and I think he was very excited in  
23 general about this idea, and he just wanted to  
24 help with some introductions, and he probably  
25 spent a day, a few hours to do that. So I

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1 wouldn't say it is something that a person would  
2 expect to be compensated.

3 Q. Did he participate in any meetings  
4 with investors, along with you?

5 A. I don't remember that, no.

6 Q. Did Mr. Seydak?

7 A. No, I don't remember that as well.

8 Q. Did either Mr. Joshua or Mr. Seydak  
9 invest in TON?

10 A. Not that I am aware of.

11 Q. Did Blackmoon Financial or Blackmoon  
12 Crypto invest in TON?

13 A. No, as far as I know, no.

14 Q. Did you ask Mr. Joshua to reach out  
15 to particular investors or did he choose who he  
16 was going to reach out to?

17 A. As far as I remember, he was based  
18 in Israel, and I didn't know a lot of people from  
19 Israel, but it looked helpful, since we tried to  
20 reach diversification by geography, it seems  
21 logical to establish some contacts in Israel, and  
22 when he suggested that I didn't object, but he  
23 selected people himself, I believe.

24 Q. At this time, in 2017, did you have  
25 any discussions with Mr. Joshua about any role he

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1 that I was aware that they are developing custody,  
2 so I usually just gave a list, I just gave a list  
3 of all companies that I knew.

4 Q. Did you give this list of possible  
5 custodians before the purchase agreements were  
6 signed, like in late 2017, early 2018?

7 A. No, because there was no companies  
8 at that moment developing custodial solutions.

9 Q. So did investors sort of before they  
10 signed, did they have questions about custody that  
11 you were able to answer?

12 A. They were asking like about our  
13 plans: "Do you think that big custody companies  
14 will work with Gram?" I said yes, probably they  
15 will, right, if you are going to be one of their  
16 largest players and if it is one of the widely  
17 used cryptocurrencies, definitely they will  
18 integrate Gram, right. So that is the question.  
19 It is just a logical conclusion.

20 Q. Did Telegram reach out to companies  
21 that could provide custody solutions?

22 MR. DRYLEWSKI: Objection to form.

23 A. I would say the other way. I would  
24 say that they were reaching out to us rather than  
25 we are reaching out to them, and the same about

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1 exchanges.

2 Q. Which exchanges reached out to you?

3 MR. DRYLEWSKI: Objection to form. To  
4 Telegram or to him personally?

5 MS. STEWART: To Telegram.

6 MR. DRYLEWSKI: You can answer that if  
7 you know.

8 A. Yes, I mean, to my knowledge,  
9 different channels of communications, I would say  
10 probably all exchanges tried to reach out to us.  
11 If they knew one on one investor, they would call  
12 him and he was calling me, saying this exchange  
13 wants to talk. So many of them tried to reach out  
14 to us, but my personal vision here was that it is  
15 better, since our resources were very limited, you  
16 didn't have enough people and time to talk to all  
17 of them, but at the same time we understood the  
18 importance of exchanges, because exchanges would  
19 give an opportunity to users, to people to get  
20 Grams. So we thought it is important to respond  
21 at least to some exchanges, and we just probably  
22 chose the largest ones and exchanges that have the  
23 best reputation on the market and the biggest  
24 amount of users.

25 Q. What are those exchanges?

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1           A. As far as I remember, I had a  
2 conversation with Binance, with Coinbase and with  
3 Okex. Why specifically these three? We also  
4 thought there about like geographical  
5 diversification. As far as I know, Coinbase was  
6 more focused on United States. Binance is a  
7 global player in many countries. Okex is more  
8 focused on Asia. That is just my impression, from  
9 what I could find in the public sources. So for  
10 me these three exchanges more or less covered the  
11 world.

12           Q. So you personally had discussion  
13 with all three exchanges?

14           A. Yes, I personally did.

15           Q. And what is the status of those  
16 discussions?

17           MR. DRYLEWSKI: Objection to form.

18           A. Right now all discussions are put on  
19 hold, but before we put them on hold they were  
20 quite active and in most cases these exchanges  
21 were having more technical questions. We didn't  
22 just have resources to answer all of them because  
23 they had many of them. Since the public network  
24 was already launched, and we knew that there were  
25 teams of developers who were digging deep, the

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1 test network, and they were giving us some  
2 feedback, so I decided once I get a lot of  
3 questions from exchanges, and some of the teams of  
4 developers who were testing the test network, they  
5 offered themselves help in answering these  
6 questions. They said: "If you want us to help,  
7 and we understand that you are very limited with  
8 resources, let us help, because we understand  
9 Blockchain and we understand the testnet." So  
10 usually it ended up in some group chat in  
11 Telegram, where there was an exchange of  
12 representatives, me, Shyam, and some third-party  
13 developers that were offering help, and I just  
14 added them to this group. Usually it was a long  
15 technical discussion in this group and I didn't  
16 follow. I just didn't understand half of it.

17 Q. Who are the third-party developers  
18 that you would add to these Telegram Groups?

19 A. In particular these are Binance and  
20 Coinbase. I believe I added people from TON Labs.  
21 With Okex, I added a team of developers and they  
22 were developing some solution, exchange solution  
23 for Grams. They were called Mercurio.

24 Q. When did the discussion with these  
25 exchanges get put on hold?



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1 probably not, because if you look at the traction  
2 of many of these funds, I wouldn't say that that  
3 is their strategy. They are usually funds with a  
4 long history, right, and long traction of  
5 different deals, and they exist in the market not  
6 one day but many years. I wouldn't agree that  
7 that is their strategy, that they expect high risk  
8 or high return. I would rather say that it is a  
9 fund that used to invest long-term, the other way,  
10 that is the type of investors who are not looking  
11 for fast return for sure, that the funds used to  
12 invest and they are not in a hurry, right, so they  
13 are long-term investors, not looking for the fast  
14 return, so I would say the other way around.

15 Q. Did you ask investors what they  
16 intended to do with their Grams once they were  
17 issued?

18 MR. DRYLEWSKI: Objection to form.

19 A. I personally didn't ask that  
20 because, in my opinion, it is the same like when  
21 people buy something from me and they get money  
22 into the account and I ask "What are you going to  
23 do with your money". So I don't think it is an  
24 appropriate question to ask what people are going  
25 do with their own funds after we don't have any

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1 relations anymore, right. But sometimes they just  
2 explicitly mentioned some ideas that they had. So  
3 I didn't ask this specifically but sometimes they  
4 mentioned their intentions.

5 Q. Did any investor tell you that they  
6 intended to use their Grams once they were issued  
7 to buy goods and services?

8 A. I am sure that some investors were  
9 sharing these kind of ideas but, as I said before,  
10 since it is a fund, right, they were talking more  
11 about the projects that they would probably --  
12 that can potentially use the Grams and the  
13 technology afterwards. I don't remember any  
14 specific conversations that they are going to --  
15 of course, they understood and it was clear all  
16 these investors were sophisticated, that in order  
17 for this ecosystem to evolve, and in order so that  
18 we had a lot of projects using Gram, it takes  
19 time. So probably on day one, after the launch,  
20 definitely there will be some projects, right, but  
21 still it takes time for the ecosystem to appear.  
22 I am sure that many funds that invested like --  
23 not funds, investors -- invested in the long run.  
24 They were planning to use it, you know, to pay for  
25 something but definitely maybe not on day one.

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1 Q. When you say "I am sure they were  
2 planning to use it to pay for something", what is  
3 that based on?

4 A. Because all investors clearly  
5 understood, after the Grams are issued, that it is  
6 a currency and basically it is their own money.  
7 So if it is their own funds, of course they can  
8 use them for whatever needs that they want to use  
9 them.

10 Q. Did you ask any investors whether  
11 they intended to hold their Grams for a long time?

12 A. We had a discussion. We had a  
13 conversation about them, yes. Many many many  
14 investors told me that they are long-term, yes.  
15 Yes, I would say quite a lot of conversations. In  
16 many conversations they mentioned that for them it  
17 is a long-term step.

18 Q. Which investors told you that?

19 A. I can't give you any specific names,  
20 but if I look, probably many of them, most of the  
21 funds, most of the large investors usually said  
22 that for them it is a long-term investment, but of  
23 course they didn't give us guarantee that they  
24 will not do something with their Grams earlier.

25 Q. Did any investors tell you that they

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1 intended to liquidate their Grams for a profit?

2 A. I wouldn't say that they structured  
3 their questions that way, right, but when for  
4 example some investors asked me, "Are you aware of  
5 any exchanges that are planning to list Grams", I  
6 could assume from this question that probably they  
7 are going to use exchange, they are going to sell  
8 some part of their Grams, right. So I would say  
9 when people were asking about exchanges, you can  
10 probably put them to this category, right, of  
11 people who were like showing an interest to  
12 selling part of them.

13 Q. Did you ask any investors whether  
14 they planned to validate the nodes?

15 MR. DRYLEWSKI: Objection to form.

16 A. I can say that a lot of investors  
17 were asking about validation. Especially the  
18 closer to the launch we got, the more questions  
19 were about that, and they were sending emails  
20 asking in Telegram, calling, asking in meetings,  
21 yes, so a lot of questions about that.

22 Q. Who asked you about that?

23 A. If you want I can go to the list of  
24 investors, I can name you, because it was a lot of  
25 people.

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1 purchase agreements that ended up replacing those  
2 initial purchase agreements from the presale, when  
3 did those close?

4 A. I don't remember the date, but it  
5 didn't take too much time. It was maybe a matter  
6 of a few weeks, maybe one month, something like  
7 that. I am not sure, but probably around this  
8 timeframe.

9 (Exhibit 30 marked for identification)

10 I have handed you what has been marked  
11 Exhibit 30, TLGRM-012-00015106, which appears to  
12 be an October 11, 2018 invoice. My question will  
13 be what is this document?

14 A. It is hard for me now to say for  
15 sure what is this about. I can't comment now. I  
16 don't remember.

17 Q. Does it appear to be an invoice from  
18 Space Investments Limited and Goliat Solutions  
19 Limited?

20 A. Yes, but I just don't remember what  
21 is it about.

22 Q. Did Telegram pay fees to any of the  
23 initial purchasers?

24 A. Not that I remember, but I need to  
25 double check that.

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1 Q. Did Telegram have side agreements  
2 with any of the initial purchasers?

3 MR. DRYLEWSKI: Objection to form.

4 A. I don't remember that now.

5 (Exhibit 31 marked for identification)

6 Q. We have handed you what has been  
7 marked Exhibit 31, which is TLGRM-007-00070366 and  
8 my question will be what is this document?

9 A. I don't remember this particular  
10 document as well. I need to check.

11 Q. So this document, Exhibit 31,  
12 doesn't refresh your recollection as to whether  
13 Telegram paid fees to any initial purchasers?

14 MR. DRYLEWSKI: Objection to form. Do  
15 you have any emails or anything showing that he  
16 got this?

17 MS. STEWART: I do.

18 MR. DRYLEWSKI: Thank you, that would be  
19 helpful. It may help the witness.

20 Q. My question still stands. Does this  
21 refresh your recollection?

22 A. No, I don't remember it from memory.

23 Q. Do you recall receiving Exhibit 30,  
24 the last document we looked at?

25 A. No. No, I need to check that.

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1 page?

2 A. Very, very small, but yes.

3 Q. I see it. Okay. Does that  
4 describes the 25 percent over time that I asked  
5 you about a second ago?

6 A. But it is very vague, a little bit  
7 strange.

8 Q. Okay. Did you do anything after  
9 receiving this email in May 2019?

10 A. Yes, I remember I called this  
11 company. I spoke with them. They denied the fact  
12 that they were doing these deals. And it was a  
13 little bit awkward to me because, as I told you,  
14 they were a stage A investor, and here it was a  
15 price, 1.33, and about presale. So they denied  
16 the fact that they had been doing something like  
17 that, and I didn't get any like evidence that they  
18 really were trying to resell.

19 Q. Did you send them a copy of this  
20 brochure that is attached to Exhibit 35?

21 A. I don't remember specifically that,  
22 but I remember calling them.

23 Q. Did Telegram take any action in  
24 respect to ATON, after receiving this email in  
25 May 2019?

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1           A. Anyway, we will request a new rep  
2 letter from them before we issued them any Grams.  
3 I was not sure about this information, because  
4 they already paid 1.33 per Gram. It just didn't  
5 make too much sense. It didn't make a lot of  
6 sense in selling at the same price what they  
7 bought, so it was little bit inconsistent, this  
8 offer. So I made a call but they denied it, and  
9 it was very unclear, everything here. It was very  
10 inconsistent, not very consistent. It was a bit  
11 inconsistent.

12           Q. Are you aware of anyone else at  
13 Telegram taking any steps in trying to confirm the  
14 information that is in Exhibit 35?

15           A. No. No, probably it was just me  
16 calling them.

17           Q. Did ATON provide any services to  
18 Telegram, putting aside the fact that they were an  
19 initial purchaser -- strike that.

20           Did Telegram have any other business  
21 relationship with ATON?

22           A. ATON introduced us to a few  
23 investors as well, in stage A. That is what I  
24 remember. I don't remember any presale. I think  
25 they were from stage A. I remember we were



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1 discussing with them potentially opening a  
2 brokerage account at ATON, but I don't know how it  
3 ended. Just this.

4 Q. Did they receive any kind of fee for  
5 introducing you to other investors?

6 A. No, I don't remember that.

7 (Exhibit 36 marked for identification)

8 Q. We have handed you what we have  
9 marked as Exhibit 36, which is TLGRM-006-00002969,  
10 which appears to be an April 18, 2018 email to you  
11 and some redacted individuals from another  
12 redacted individual.

13 A. Yes. I read it.

14 Q. Have you seen this document before?

15 A. I don't remember it.

16 Q. Do you know what the document is  
17 referring to about personally apologizing to you  
18 gentlemen for the recent event?

19 A. No, I don't remember what was that  
20 about.

21 Q. You don't remember anything about  
22 anything discussed in this document?

23 A. No.

24 Q. What was your practice for  
25 communicating with others at Telegram, Mr. Durov,